

# 3M 2019 RESULTS UPDATE

BRIEFING MAY 2019

This document summarizes the financial results for the first quarter 2019 ('3M 2019') for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, both of which were announced on May 14, 2019.

## FURTHER INFORMATION

Full details of Allianz Group results for 3M 2019, including the analysts' presentation, are available at Allianz Group's Investor Relations [web pages](#).

<sup>1</sup> Specifically, Allianz Global Corporate & Specialty SE, Allianz Risk Transfer AG, Allianz Risk Transfer (Bermuda) Ltd., Allianz Global Corporate & Specialty North America (legal names Allianz Global Risks US Insurance Company, Allianz Underwriting Insurance and AGCS Marine Insurance Company), Fireman's Fund Insurance Company and subsidiaries, AGCS Japan (legal name Allianz Fire and Marine Insurance Japan Ltd.), AGCS Re Brazil (legal name Allianz Global Corporate & Specialty Resseguros Brasil S.A.) and Allianz Global Corporate & Specialty South Africa Ltd..

## 1. ALLIANZ GROUP RESULTS 3M 2019

Allianz Group continued its successful course from 2018 with a strong first quarter 2019. **Total revenues** of Allianz Group rose 9.1% to €40.3 billion (3M 2018: €36.9 billion). **Internal revenue growth**, which adjusts for currency and consolidation effects, was 7.5%. **Operating profit** increased by 7.5% to €3.0 billion (3M 2018: €2.8 billion), mostly due to the Property-Casualty business segment as a result of strong premium growth, lower claims from natural catastrophes and an improved expense ratio. **Net income attributable to shareholders** grew 1.6% to €2.0 billion (3M 2018: €1.9 billion). The **Group Solvency II capitalization ratio** stood at 218% at the end of the first quarter 2019, compared to 229% at year-end 2018.

In the **Property-Casualty** insurance segment, **gross premiums written** increased by 6.3% to €19.5 billion (3M 2018: €18.3 billion) in the first quarter. Internal growth totalled 4.6%, driven by AGCS, Germany and Allianz Partners. **Operating profit** increased by 14.2% to €1.5 billion (3M 2018: €1.3 billion). The **combined ratio** improved by 1.1 percentage points to 93.7% (3M 2018: 94.8%).

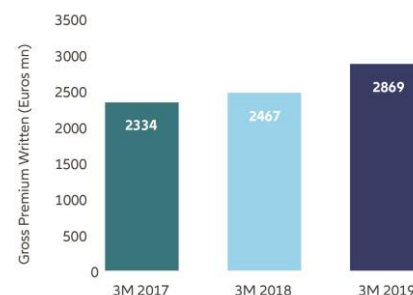
The **Life and Health** business benefitted from growth with strong new business margins. **Statutory premiums** rose to €19.3 billion (3M 2018: €17.1 billion). **Operating profit** grew slightly to €1.096 billion (3M 2018: €1.069 billion).

In **Asset Management**, **third-party assets under management** increased by €112 billion to €1,548 billion compared to year-end 2018. Investments in business growth lead to a decline of the **operating profit** by 3.7% to €573 (3M 2018: €595 million) in the first quarter 2019.

## 2. AGCS<sup>1</sup> RESULTS 3M 2019

In the first quarter 2019, AGCS has achieved solid growth and increased **gross premium written** to €2.869 billion (3M 2018: €2.467 billion), which is €402 million higher year on year. All AGCS Lines of Business (in particular Corporate segments) as well as regional units (especially North America) have contributed to this rise in premiums.

### AGCS GROSS WRITTEN PREMIUM 3M 2017-19



The **combined ratio** for 3M 2019 stands at 99.7% compared to 94.6% for 3M 2018. This deterioration by 5.1 percentage points on a quarterly basis is driven by a higher loss ratio including high-profile large losses in the first quarter.

**Operating profit** reached €106 million for 3M 2019 (3M 2018: €139 million) which is €33 million below prior year driven by a lower underwriting result.

## SOLVENCY RATIOS

AGCS shows solid local solvency ratios as of Q4 2018, which are listed below for the primary operating companies.

<b>AGCS SE</b>	169%
<b>AGCS NA</b>	337%
<b>ART AG</b>	133%

\*S&P and A.M. Best ratings for ART AG and ART Bermuda.

Results for Q2 2019 for Allianz Group and Allianz Global Corporate & Specialty will be available on August 2, 2019. For further details please see Allianz Group's [Investor Relations](#) website pages.

## AGCS RATINGS (showing date rating published)

AGCS Company	Standard & Poor's	A. M. Best
AGCS SE	AA (Jun 18)	A+ (Aug 18)
AGCS NA	AA (Jun 18)	A+ (Aug 18)
FFIC	AA (Jun 18)	A+ (Aug 18)
ART*	AA- (Jun 18)	A+ (Aug 18)
AGCS Japan	AA (Jun 18)	(N/A)
AGCS Re Brazil	(N/A)	A+ (Aug 2018)
AGCS South Africa	BB+ global; zaAAA+ local (Jul 18)	(N/A)

In the first quarter 2019, there are no changes in ratings for AGCS SE or any of its legal entities.

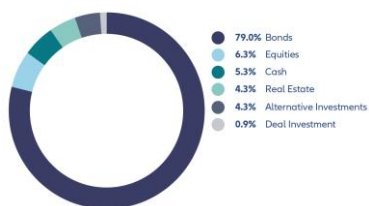
## ASSET ALLOCATION & INVESTMENTS

In Q1 2019 the *market value* of our total invested assets, excluding strategic participations, increased to €13.8 billion (Q4 2018: €13.0 billion).

In the current low yield environment, AGCS continues to focus its *investment strategy* on portfolio diversification across high quality liquid assets, and on yield enhancing measures within well-defined risk limits.

Total assets continue to be primarily invested in interest-bearing securities (bonds). The *cash quota* in Q1 2019 increased slightly to 5.3% (Q4 2018: 4.6%).

## AGCS ASSET ALLOCATION 3M 2019



## NEW RESPONSIBILITIES IN AGCS BOARD

As announced on March 18, 2019, AGCS SE reorganized some roles in its Board of Management effective from



April 1, 2019. **Hartmut Mai**, previously AGCS Chief Underwriting Officer Corporate, took on the Board role of AGCS Chief Regions and

Markets Officer for the three business units Central & Eastern Europe (CEE), Mediterranean and Africa. AGCS CEO **Chris Fischer Hirs** had overseen these areas since October 2018 on an interim basis.

Also effective from April 1, **Thomas Sepp** joined the AGCS Board of



Management as new Chief Underwriting Officer Corporate, based in Munich. He moved to AGCS from Allianz Re, where he was Head of MidCorp Business

since January 2018. From 2014 to 2017, Sepp was Deputy Head of Global P&C for Allianz SE. Before joining Allianz Group, he spent five years at Zurich Insurance Group in various senior leadership roles and was a partner at McKinsey & Company.

## NEW REGIONAL LEADERSHIP FOR AGCS CENTRAL & EASTERN EUROPE

As announced on March 1, 2019, **Hans-Joerg Mauthe**, previously Head of



Market Management for AGCS CEE, has been appointed Regional CEO for AGCS CEE effective from April 1, 2019. He has played a key role in shaping

developments in the CEE region for more than 13 years, initially as Head of Liability (since 2005) and later as Head of Market Management (since 2011). **New Head of Market Management** for the CEE region will be **Martin Zschech**, effective June 1, 2019.

## CONTACT US

For further information please contact your local AGCS manager or **Hugo Kidston**, AGCS Global Head of Communications, +44.203.451.3891

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